(b) if so, what is the status of the fund disbursement and who are the members of the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) the Pharmaceutical Research and Development Committee (PRDC) constituted by the Government under the Chairmanship of Dr. R.A. Mashelkar, Director General, CSIR with a view to recommending measures to strengthen the Research and Development capability of the Pharmaceutical Industry in the country and to identify the support required by Indian Pharmaceutical Companies to undertake domestic R&D, in its report submitted to the Government, has *inter alia* recommended the establishment of Pharmaceutical Research and Development Support Fund (PRDSF) to promote research in the Pharmaceutical Industry in the country. The issue is under inter-ministerial consultation.

Conditions on wage revision in FACT

3554. SHRI N.K. PREMACHANDRAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether any direction imposing certain conditions on implementation of the wage / pay of the workmen and executives of FACT has been issued;

(b) if so, the reasons therefor and the details of the conditions;

(c) whether any representation has been received from trade unions, seeking review and withdrawal of the said conditions; and

(d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) Yes, Sir. The details of the package are given in the Statement (*See* below). As per the extant policy, the wage revision in a Public Sector Enterprise (PSE) has to be invariably funded from internal resources and no budgetary support is to be provided. Considering the present financial position of FACT, the conditions prescribed in the package have been designed to enable the PSE to generate savings for funding the wage revision.

(c) and (d) Yes, Sir. The package of wage revision is as per the prescribed guidelines of Government.

Statement

Conditions stipulated for implementation of wage revision in FACT

(i) to freeze leave encashment, excepting as a terminal benefit in respect of retiring and death cases, to ensure savings to the tune of Rs. 330 lakhs per annum.

(ii) To freeze Leave Travel Concession to effect savings to the tune of Rs. 150 lakhs per annum.

(iii) The Overtime Bill will be restricted to effect savings to the tune of Rs. 500 lakhs per annum.

(iv) The CISF strength will be rationalized to effect savings to the tune of Rs. 75 lakhs per annum.

(v) A saving to the tune of Rs. 50 lakhs per annum will be effected in expenditure on uniform, footwear, footwear allowance, raincoat and umbrella. Uniforms may be issued to the employees once in two years.

(vi) To ensure savings to the tune of Rs. 65 lakhs per annum in canteen subsidy by way of increasing the existing canteen rates from 0.35 paise to Rs. 5.00.

(vii) To effect generation of resources to the tune of Rs. 20 lakhs per annum by way of increase in School fees in the following slab rates:-

Udyogamandal School:	
Plus two	Rs. 3000/- per annum
Below Plus two	Rs. 2000/- per annum
Other Schools:	
High School & Upper Primary	Rs. 1000/- per annum
Lower Primary	Rs. 655/- per annum

(viii) To increase the rent/service charges for company's quarters/ townships suitably to generate resources to the tune of Rs. 100 lakhs per annum.

(ix) To increase contribution of employees under Contributory Health Scheme to generate resources to the tune of Rs. 30 lakhs per annum.

(x) The Incentive Bonus to the employees of the enterprise till date has been linked to productivity. Now 25% of the Incentive Bonus will be linked to profitability and the remaining 75% will continue to be linked with productivity. The mangement will accordingly revise the incentive bonus scheme to this extent and ensure savings to the tune of Rs. 90 lakhs per annum. In the absence of enterprise posting a profit the incentive bonus will be restricted to 75% of the productivity.

(xi) The age of retirement of below Board level employees will be rolled back from 60 to 58 years, except in the case of 1978 category of employees, to effect savings to the tune of Rs. 15 crore per annum. The proposal to this extent is under consideration of the Government and the approval of the competent authority will be conveyed in due course.

3. The implementation of wage revision will further be subject to following conditions:—

(i) The pay revision would be effected strictly in accordance with guidelines contained in DPE's O.M. dated 25.6.99 and subject to surrender of the benefits mentioned above.

(ii) The payment of revised salary will be made w.e.f. 1.7.2001. No budgetary support will be provided to the company by the Government to meet the additional liability of pay revision till 31.12.2006.

(iii) The liability and payment of arrears relating to revision of basic pay/wages and DA w.e.f. 1.1.97 to 30.6.2001 and those relating to perks and allowances w.e.f. 20th October, 2000 for both executives and workers would be reviewed and decided upon by the Department when FACT starts earning continuous profit at least for three years.

(iv) The rate of increment of the highest scale of workers would be restricted to Rs. 190/-

(v) For unionised employees, wage revision would be extended only when they agree to surrender the benefits as mentioned above and they will be in agreement not to press for any demands for either restart or enhancement in any allowances/perks or for extending any new benefits involving additional expenditure. Any proposal for extending new benefits, in any form, for both executives and

workers would be reviewed and decided by the Department when the company starts earning continuous profits at least for three years.

(vi) HRA, CCA would be computed on revised basic pay from the date of issue of Presidential Directive. The guidelines/orders issued by the Government from time to time in respect of these allowances as well as Children's Education allowance may be adhered to.

(vii) Implementation of revised scales in respect of Board level executives will be undertaking pursuant to issue of these Presidential Directives and will also be subject to aforesaid conditions. The management of the enterprise will furnish details relating to fixation of pay of the Board level incumbents who were in employment in the enterprise as on 1.1.97 to the Department for further processing.

(viii) The management of the enterprise will bring in further savings by way of, effecting energy saving measures, freezing of recruitment, reduction of manpower by 20% overall and maintenance of higher levels of production.

(ix) A compliance report relating to attainment of targets of savings prescribed in the aforesaid paras would be submitted by the management to the Board of Directors on a quarterly basis. In the event of shortfall found in any of the prescribed areas or on an overall basis the matter will be referred to the Department for considering introduction of fresh areas of savings.

(x) It has been observed that lot of delay have taken place in receipt of the report of National Productivity Council on rationlization of manpower in the enterprise primarily due to the time taken for entering into consultation process between the management and workers unions. The management will ensure that the report is got expedited and implementation is ensured in the next three months time.

Requirement of urea

3555. SHRI BRATIN SENGUPTA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the production level of Urea by the private sector in the country has been meeting the requirement;